

## Article - Education

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§5–323. IN EFFECT

// EFFECTIVE UNTIL JUNE 30, 2023 PER CHAPTERS 397 AND 398 OF 2018 //

(a) (1) In this section the following words have the meanings indicated.

(2) (i) “Construction” means new construction or major renovation or replacement of a public school facility.

(ii) “Construction” does not include system renovation projects as defined in COMAR 23.03.02.15.

(3) “Incentive Program” means the Public School Facility Construction Innovation Incentive Pilot Program.

(4) “Public school facility” means a property primarily used for educational instruction.

(5) “Rolling State average of public school construction costs” means the average State cost per student for public school construction projects and capital improvements over the previous 3 fiscal years.

(b) This section applies only in:

(1) Harford County;

(2) Prince George’s County; and

(3) Washington County.

(c) (1) There is a Public School Facility Construction Innovation Incentive Pilot Program in the State.

(2) The purpose of the Incentive Program is to provide incentives to encourage public school systems to pursue innovative public school facility construction projects by:

(i) Providing additional State funding for the projects; and

(ii) Exempting the projects from the statutory and regulatory requirements specified in subsection (j) of this section.

(3) Through the establishment of the Incentive Program, it is the intent of the General Assembly to:

(i) Encourage public school systems to use the Incentive Program; and

(ii) Accelerate public school construction and renovation by providing incentives to reduce the costs of construction and renovation.

(d) (1) The Interagency Commission shall implement and administer the Incentive Program as provided in this section.

(2) The Interagency Commission shall promote the Incentive Program.

(e) The Interagency Commission shall establish an application process for the Incentive Program.

(f) For each fiscal year, the Interagency Commission shall calculate the rolling State average of public school construction costs for elementary schools, prekindergarten through eighth grade schools, middle schools, and high schools in the State.

(g) If a public school facility construction project has an estimated public school construction cost that is 30% or more below the rolling State average of public school construction costs for the appropriate type of school, the Interagency Commission shall approve that project for participation in the Incentive Program.

(h) (1) For a public school facility construction project that is approved to participate in the Incentive Program on or before December 31, 2019, the State share of eligible costs for that project shall increase by 20% for that project.

(2) For a public school facility construction project that is approved to participate in the Incentive Program on or after January 1, 2020, the State share of eligible costs for that project shall increase by 10% for that project.

(i) If the actual public school construction costs for a project are not 30% or more below the rolling State average of public school construction costs for the appropriate type of school, the project is not eligible for the higher State share provided in subsection (h) of this section for the State share of eligible costs that exceed the requirement in subsection (g) of this section.

(j) Except as provided in subsection (k) of this section, § 2–303(f) of this article, § 5–303 of this subtitle, and the regulations that govern the Public School Construction Program do not apply to a public school facility construction project that is approved to participate in the Incentive Program.

(k) A public school facility construction project that is approved to participate in the Incentive Program shall comply with:

(1) Except as provided in subsection (i) of this section, the State and local cost–share established for each county in regulations;

(2) The maximum State construction allocation for each project approved for State funding;

(3) The approval of project funding by the Interagency Commission;

(4) Smart growth requirements;

(5) Minority business enterprise requirements;

(6) Prevailing wage requirements;

(7) Environmental requirements; and

(8) A requirement for a procurement process that includes public notice and results in the most advantageous proposal.

(l) If a public school system participates in the Incentive Program, nothing in this section prohibits the public school system from utilizing any other source of financing or system of bidding under current law to fund a public school facility construction project.

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